





Suite 600 - 375 Water Street
Vancouver, B.C. Canada V6B 5C6
(604) 687-3800

OPERATING:
B.C. Enterprise Centre
B.C. Place Stadium
Vancouver Trade & Convention Centre
Whistler Conference Centre
Whistler Golf Club

A Provincial Crown
Corporation

Cliff Michael, Minister



Province of
British Columbia

OFFICE OF THE
MINISTER

Ministry of
Government
Management
Services

Parliament Buildings
Victoria
British Columbia
V8V 1X4

Minister's phone: 387-1023
Assistant: 387-1025

His Honour
The Honourable David C. Lam
Lieutenant Governor for the
Province of British Columbia

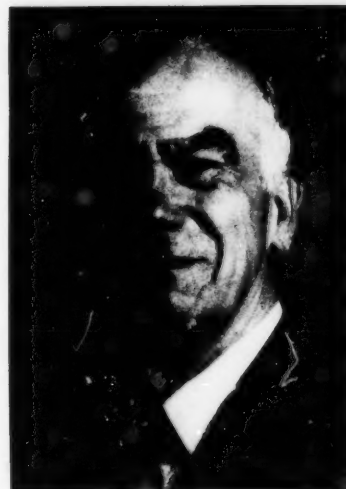
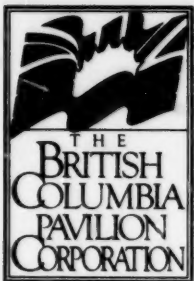


MAY IT PLEASE YOUR HONOUR:

I respectfully submit the Annual Report of the British
Columbia Pavilion Corporation for the fiscal year ending
March 31, 1989.

Cliff Michael
Minister of Tourism

Minister Responsible for
B.C. Pavilion Corporation



Honourable Cliff Michael
Minister of Tourism
Parliament Buildings
Victoria, B. C.

Dear Mr. Michael:

On behalf of the Board of Directors of the British Columbia Pavilion Corporation, it is my pleasure to submit the Corporation's annual report for the year ending March 31, 1989.

Phil Barter
Chairman of the Board

**... please
accept our
sincere thanks
for the lovely
evening you
put together for
our group ...
everyone
thought the
dinner was
excellent ..."**

**National
Association of
Wholesaler-
Distributors**

Take five of the best event facilities anywhere in the world, add imaginative marketing, and a commitment to service excellence, and it is easy to see why the B.C. Pavilion Corporation has created a considerable niche for its services in the meeting, trade, convention and special events industries.

Dedicated to providing "The Best Event Experience in North America," the Corporation

combines British Columbia's stunning scenery with state-of-the-art facilities that cater to every function, no matter the size.

This fiscal year, the Pavilion Corporation continued its award-winning, and results-oriented marketing program. Together with an operational philosophy that stresses quality, the Corporation has created the bedrock of its customer service program, "Yes We Can."

Vancouver Trade and Convention Centre

The Vancouver Trade and Convention Centre, with its five-sail roof and nautical theme, opened on July 4, 1987. It is a truly unique waterfront landmark signifying Vancouver to the world.

Operated by the Pavilion Corporation, the Vancouver Trade and Convention Centre is one of the largest tenants at Canada Place, with which it has an 80-year lease. A state-of-the-art facility with 94,000 sq. ft. of column-free exhibition space, and an adjoining 17,000 sq. ft. ballroom, the Trade and Convention Centre also features 21 individual meeting rooms for groups of 8 to 800.

Stretching out toward the North Shore mountains, the Vancouver Trade and Convention Centre can accommodate up to 7,000 guests for a banquet, or 11,000 for a reception. In addition, the Centre's kitchens emphasize quality and imagination, hallmarks of an unconventional approach to large-scale functions.

The Vancouver Trade and

Convention Centre has booked more than \$110 million in business during the next 10 years. Between April 1, 1988 and March 31, 1989, the Centre hosted more than 400 different events and over 396,000 visitors.

In its second fiscal year, some of the events hosted by the Centre were the annual convention of the Canadian Labour Congress, with its 3,000 delegates; the 1,500 member Computerland Corporation Conference; 2,000 delegates to the Federation of Automobile Dealers Association; the Grain Elevator & Processing Society, which attracted 1,500 visitors to the Centre; the Institute of Transportation Engineers; the Farmer's Insurance Corporation; and the Knights of Columbus.

In addition to the 34 full-time staff, the Vancouver Trade and Convention Centre relies on 16 official suppliers to provide a variety of services, everything from customs and catering, to hosting and housekeeping. Together, these firms

***"Your friendly
staff and
superior facilities
helped make our
Communications
Seminar a great
success."***

**Novell
Canada Ltd.**



provide a pool of more than 1,400 part-time staff for the Centre and its clients.

Destination marketing in the Centre's second year focussed on Vancouver rather than the Trade and Convention Centre. The "Sense of Vancouver" campaign reached 3,000 meeting planners in Canada, the United States and 21 other countries, with positive responses

from 250 corporations and organizations. The result of this effort is confirmed bookings throughout the '90s and into the 21st century.

"The Auto Show experienced first class treatment in a first class facility."

Pacific International Auto Show



B.C. Place Stadium

Opened in 1983, B.C. Place Stadium, with its air-supported domed roof, is the largest facility of its kind in North America. During its sixth year of operation, B.C. Place welcomed more than 864,000 visitors and patrons to some 82 events. The total number of visitors over six years now exceeds eight million.

Stadium exhibition space totals 247,000 sq. ft. on Levels One and Two; it offers a variety of meeting and banquet rooms, and has a well-earned reputation for staging events of every shape and size. Hosting tractor pulls or trade and

consumer shows, sports or spectacles, B.C. Place is very much the heart of downtown British Columbia.

In 1988-89, B.C. Place generated \$9.27 million in gross revenue, with 55 full-time and 1,500 part-time staff. In addition, more than \$30 million in benefits to the community are attributed to stadium events and patrons.

Some of the new events at B.C. Place included the ten-day Pacific International Auto Show, the Western Hardware Trade Show, and 27 basketball games with the Vancouver Nighthawks.

Who pays what to rent the stadium.

- Rock concerts, average attendance 20,000: \$76,000 per day
- Funny cars thrill show, average attendance 32,000: \$45,000
- Trade and Consumer show, average attendance 47,000: \$86,000

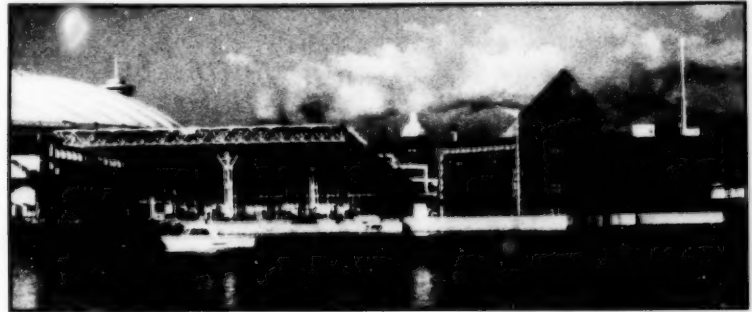
B.C. Enterprise Centre

The British Columbia Enterprise Centre is home to the Ministry of International Business & Immigration, and a one-stop shopping centre for business information. In addition, more than 19 other shops, restaurants, and offices are part of the three-building complex. The Enterprise Centre's impressive

waterfront setting, 500-seat Discovery Theatre, 13,000 sq. ft. Discovery Hall and glass-canopied Plaza of Nations welcome every sort and size of function. Notable among the year's 279 different events were the International Dragon Boat Races, The Bite of Vancouver, "Nonsense" Musical Theatre, and the Festival of Flowers and Gardens.

"Our night was thoroughly enjoyed by all our delegates and guests."

Canadian
Association
of Custom
Brokers



Whistler Conference Centre and Golf Club

Ninety minutes' drive from Vancouver along the "Sea to Sky Highway," the Whistler Conference Centre and Arnold Palmer-designed golf club are within walking distance of every hotel in Whistler Village.

The six-year-old Conference Centre, with its capacity for up to 1,000 delegates, features a 300-seat theatre, a 13,600 sq. ft. ballroom, a multilevel atrium, and nine individual meeting rooms.

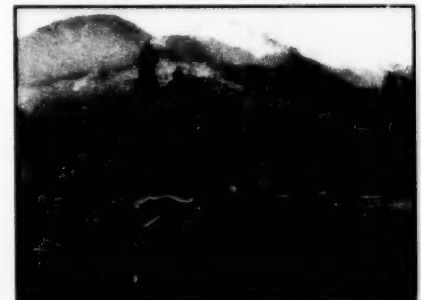
Nearby, the Whistler Golf Club features spectacular mountain scenery, and 18 holes of the best golf anywhere.

This year, the course, which operates from May to October, boasted 28,000 rounds, a 13% increase over last year. At the same time, the course generated more than \$743,000 in revenue.

The Conference Centre hosted more than 225 events, including the Council of Forest Industries, Industrial Relations Management

Association, The World Cup, Union of B.C. Municipalities, Association of Professional Engineers of B.C., Life Underwriters, and the Canadian Institute of Chartered Accountants.

In addition to detailing a comprehensive marketing program for both the Conference Centre and the Golf Club, the Pavilion Corporation developed cost-saving procedures which reduced their combined annual operating deficit from \$614,000 to \$439,000. An intensive marketing campaign, coupled with operating efficiency, will see a continued reduction in the annual operating deficit.



B.C. Pavilion Corporation

1988/89 Board of Directors

Phil Barter, Chairman
Thomas K. Campbell
Graham P. Clarke
G. Neldon (Mel) Cooper
Jack Farley
Richard P. Gibbons
Michael E. Horsey
Hon. Cliff Michael
Simon D. Roberts
Peter H. Thomas
David J. Walker
John S. Williams
David Williamson

Executive Staff

Michael Horsey, President and C.E.O.
Warren Buckley, Vice President Marketing
Rick Mowles, Vice President Operations
Barry Smith, Vice President Finance and Administration
Norman Stowe, Director of Public Affairs and Promotions

B.C. Pavilion Corporation
Audited Financial Statements
March 31, 1989

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Thorne Ernst & Whinney

Chartered Accountants

Thorne Ernst & Whinney Tower
2500 - 1177 West Hastings Street
Vancouver, British Columbia, Canada
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Telephone: (604) 685-3511
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Telex: 04-55177
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File Ref.

AUDITORS' REPORT

To the Shareholder of
B.C. Pavilion Corporation

We have examined the balance sheet of B.C. Pavilion Corporation as at March 31, 1989 and the statements of revenue and expenditures, changes in financial position and contributed surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

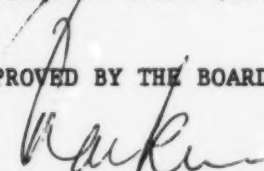
May 19, 1989

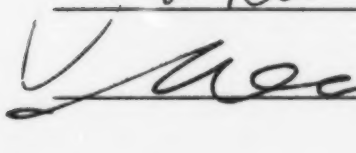
B.C. PAVILION CORPORATION

BALANCE SHEET

	March 31	
	1989	1988
ASSETS		
CURRENT ASSETS		
Cash and term deposits	\$ 4,388,763	\$ 3,444,804
Accounts receivable	2,752,911	2,595,149
Supplies inventory	89,518	82,662
Prepaid expenses	317,563	302,563
	<u>7,548,755</u>	<u>6,425,178</u>
FIXED ASSETS (note 3)	<u>155,588,612</u>	<u>158,896,821</u>
	<u>\$163,137,367</u>	<u>\$165,321,99</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 4)	\$ 4,414,923	\$ 3,652,216
Deposits and deferred revenue	<u>1,906,817</u>	<u>1,793,588</u>
	6,321,740	5,445,804
DEFERRED GOVERNMENT CONTRIBUTIONS (note 5)	<u>1,160,475</u>	<u>1,097,471</u>
	7,482,215	6,543,275
SHAREHOLDER'S EQUITY		
Share capital (note 6)	1	1
Contributed surplus	<u>155,655,151</u>	<u>158,778,723</u>
	<u>155,655,152</u>	<u>158,778,724</u>
	<u>\$163,137,367</u>	<u>\$165,321,999</u>
CONTINGENT LIABILITY (note 7)		
COMMITMENTS (note 8)		
SUBSEQUENT EVENT (note 11)		

APPROVED BY THE BOARD:

 Director

 Director

B.C. PAVILION CORPORATION

STATEMENT OF REVENUE AND EXPENDITURES

	Year ended March 31	
	1989	1988
Revenue from operations	\$26,273,447	\$22,005,845
Direct event costs	<u>12,084,215</u>	<u>9,715,779</u>
	<u>14,189,232</u>	<u>12,290,066</u>
Facility expenditures		
Staffing costs	6,614,146	6,016,638
Operating expenses	6,490,382	6,078,427
Business development	2,555,507	2,076,974
General and administration	2,257,376	2,541,587
Fees	981,899	840,892
Depreciation	<u>4,543,605</u>	<u>7,138,366</u>
	<u>23,442,915</u>	<u>24,692,884</u>
Net expenditures prior to recoveries	<u>9,253,683</u>	<u>12,402,818</u>
Recoveries		
Contributions from		
Province of British Columbia	4,710,078	4,264,452
Government of Canada	-	1,000,000
Amortization of contributed surplus to offset depreciation charged on contributed assets	<u>4,543,605</u>	<u>7,138,366</u>
	<u>9,253,683</u>	<u>12,402,818</u>
NET REVENUE	-	-

B.C. PAVILION CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended March 31	
	1989	1988
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net expenditures prior to recoveries	\$(9,253,683)	\$(12,402,818)
Depreciation, an item not involving cash	4,543,605	7,138,366
	(4,710,078)	(5,264,452)
Changes in non-cash operating working capital		
Accounts receivable	(157,762)	936,358
Supplies inventory	(6,856)	431
Prepaid expenses	(15,000)	(77,264)
Accounts payable and accrued liabilities	762,707	1,254,086
Deposits and deferred revenue	113,229	231,872
	(4,013,760)	(2,918,969)
FINANCING		
Contribution from the Province of British Columbia towards operations for the year	4,710,078	4,264,452
Contribution from the Province of British Columbia towards fixed assets acquisitions for the year	814,918	3,908,077
Contribution from the Province of British Columbia towards the acquisition of British Columbia Food Exhibitions Ltd.	152,607	-
Proceeds on sale of fixed assets	32,030	-
Deferred contribution from the Province of British Columbia in excess of immediate fundings required for operations	63,004	1,097,471
Contribution from Government of Canada towards opening of the Vancouver Trade and Convention Centre	-	1,000,000
	5,772,637	10,270,000
INVESTMENT		
Capital additions for the year	(814,918)	(3,908,077)
INCREASE IN CASH POSITION	943,959	3,442,954
Cash position at beginning of year	3,444,804	1,850
CASH POSITION AT END OF YEAR	\$ 4,388,763	\$ 3,444,804

Cash position is defined as cash and term deposits.

B.C. PAVILION CORPORATION

STATEMENT OF CONTRIBUTED SURPLUS

	Year ended March 31	
	1989	1988
Balance at beginning of year	\$158,778,723	\$162,009,012
Contribution on the transfer of Terry Fox Plaza, March 31, 1989	443,073	-
Contributions from the Province of British Columbia towards fixed assets acquisitions	814,918	3,908,077
Contribution of surplus on transfer of British Columbia Food Exhibitions Ltd., February 16, 1989	162,042	-
Transferred to statement of revenue and expenditures to offset depreciation charged on contributed assets	<u>(4,543,605)</u>	<u>(7,138,366)</u>
BALANCE AT END OF YEAR	<u>\$155,655,151</u>	<u>\$158,778,723</u>

B.C. PAVILION CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 1989

1. GENERAL

B.C. Pavilion Corporation was incorporated by the Province of British Columbia on May 3, 1984 under the British Columbia Company Act. Prior to March 31, 1987 the Corporation's mandate was to develop and operate the exhibitory at the B.C. Pavilion facility for the 1986 World Exposition. The current mandate of the Corporation is to manage certain public facilities in the Province. Accordingly, the Corporation owns and operates the B.C. Place Stadium, and operates the following public facilities under separate lease agreements:

Vancouver Trade and Convention Centre
Whistler Conference Centre
Whistler Golf Club
B.C. Enterprise Centre

During the year the Corporation gave formal notice to terminate its lease and stated that it will be vacating the B.C. Enterprise Centre effective September 30, 1989.

On July 6, 1988, through a Government reorganization, ownership of the one outstanding share of the Corporation was transferred from the Minister of Economic Development to the Minister of Government Services, in both instances held on behalf of the Province of British Columbia.

On February 16, 1989, the outstanding shares of British Columbia Food Exhibitions Ltd. were transferred from the Ministry of Agriculture to the Corporation. Results from that date have been consolidated and do not materially affect the results of operations of the Corporation. British Columbia Food Exhibitions Ltd. operates a biennial food and beverage industry trade show.

On March 31, 1989, ownership of the Terry Fox Plaza was transferred to the Corporation at the transferor's net book value.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with generally accepted accounting principles appropriate for B.C. Pavilion Corporation. These principles are in conformity with generally accepted accounting principles appropriate for commercial enterprises, with the exceptions identified in notes 2(a) and 2(c) below.

(a) Fixed assets

Fixed assets have been recorded as follows:

- (i) fixed assets funded through contributions by the Province of British Columbia, either to the Corporation or predecessor corporations, at cost. The related contribution is initially recorded as a credit to contributed surplus;
- (ii) fixed assets specifically funded by the Federal Government at cost net of the related contribution;
- (iii) all assets are depreciated over their estimated useful lives to the Corporation. Depreciation is provided on the following bases:

<u>Asset classification</u>	<u>Depreciation term</u>
Buildings and improvements	10 to 50 years. Buildings are depreciated on a sinking-fund basis; improvements on a straight-line basis
Other fixed assets	1 to 10 years on a straight-line basis, except motor vehicles which are at 30% of the declining-balance
Leasehold improvements	Over the shorter of the estimated useful life of the improvement, or the term of the lease
Furniture	5 years straight-line
Computer	3 years straight-line

B.C. PAVILION CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Deferred government contributions

Government funding is initially deferred in the accounts of the Corporation. Funding towards operations is recognized as a recovery in the statement of revenue and expenditures to the extent that the funds are utilized. Funding towards fixed assets acquisitions is allocated to contributed surplus at the time the related asset is acquired.

(c) Amortization of contributed surplus

Contributed surplus is amortized and reflected as a recovery in the statement of revenue and expenditures in an amount equal to that required to offset depreciation charged on contributed assets.

(d) New business development

Start-up costs relating to new business development are expensed in the year incurred. Any related revenues are recognized as earned.

(e) Comparative figures

Certain of the prior year's figures have been reclassified in order to conform with the presentation adopted for the current year.

3. FIXED ASSETS

	1989		1988	
	Cost	Accumulated depreciation	Net book value	Net book value
Facilities				
B.C. Place Stadium	\$173,033,237	\$19,380,477	\$153,652,760	\$156,233,548
B.C. Enterprise Centre	3,424,484	2,430,978	993,506	1,386,747
Expo Theatre	-	-	-	170,656
Vancouver Trade and Convention Centre	1,316,507	678,591	637,916	687,461
Corporate office	560,735	264,646	296,089	418,409
Whistler	167,484	167,484	-	-
British Columbia Food Exhibitions Ltd.	43,771	35,430	8,341	-
	<u>\$178,546,218</u>	<u>\$22,957,606</u>	<u>\$155,588,612</u>	<u>\$158,896,821</u>

B.C. PAVILION CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

3. FIXED ASSETS (Continued)

The Expo Theatre no longer appears on the accounts of the Corporation, as the lease was terminated by the landlord during fiscal 1989.

	1989		1988	
	Cost	Accumulated depreciation	Net book value	Net book value
Fixed asset classes				
Buildings and improvements	\$160,308,674	\$ 9,870,653	\$150,438,021	\$151,986,190
Other	12,267,604	8,780,106	3,487,498	4,340,480
Leasehold improvements	3,062,061	2,247,180	814,881	1,472,598
Furniture	2,404,538	1,806,499	598,039	741,598
Computer	503,341	253,168	250,173	355,955
	<u>\$178,546,218</u>	<u>\$22,957,606</u>	<u>\$155,588,612</u>	<u>\$158,896,821</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	1989	1988
Accounts payable and accrued liabilities	\$4,414,923	\$2,996,160
Payable to B.C. Enterprise Corporation	<u>-</u>	<u>656,056</u>
	<u>\$4,414,923</u>	<u>\$3,652,216</u>

5. DEFERRED GOVERNMENT CONTRIBUTIONS

	1989	1988
Balance at beginning of year	\$1,097,471	-
Contributions from the Province of British Columbia	<u>5,588,000</u>	<u>\$9,270,000</u>
	<u>6,685,471</u>	<u>9,270,000</u>
Allocated as follows		
Contributed surplus for fixed assets acquisitions	814,918	3,908,077
Transferred to operations	<u>4,710,078</u>	<u>4,264,452</u>
	<u>5,524,996</u>	<u>8,172,529</u>
BALANCE AT END OF YEAR	<u>\$1,160,475</u>	<u>\$1,097,471</u>

B.C. PAVILION CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

6. SHARE CAPITAL

Authorized

10,000 common shares with no par value

Issued and fully paid

1 share, held by the Minister of Government
Services on behalf of the Province
of British Columbia

7. CONTINGENT LIABILITY

The Corporation has guaranteed the B.C. Lions' bank loan up to an amount equal to \$2.0 million. This loan guarantee expires December 31, 1989.

8. COMMITMENTS

Obligations under long-term operating leases are \$400,000 for the year ending March 31, 1990.

9. INCOME TAXES

As a Provincial Crown corporation, the Corporation is exempt from federal and provincial income taxes.

10. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Corporation acquired and sold goods and services from the Province of British Columbia and certain Crown corporations, predominantly under prevailing trade terms.

Included in revenue from operations and accounts receivable is rental income of \$962,000 from the B.C. Buildings Corporation, another Crown corporation and \$220,000 from the Ministry of International Business Investment. Included in operations expense is rent paid to B.C. Enterprise Corporation of \$133,000.

11. SUBSEQUENT EVENT

Subsequent to the fiscal year end, the Corporation assumed responsibility for and ownership of the B.C. Film Centre from B.C. Enterprise Corporation. The results of the Film Centre's operations will be included in the fiscal 1989/90 financial statements.